



NAVAL SUPPLY SYSTEMS COMMAND

# Management Control Activity - Government Furnished Material

February 2, 2011

**Ready. Resourceful.** Kurt-Hedrick

**Responsive!** NAVSUP E4

# AGENDA

- ◇ **Policy**
- ◇ **Directives**
- ◇ **Procedures**
- ◇ **Reports**
- ◇ **Fraud, Waste and Abuse**

- ◇ **OPNAVINST 4440.26 dated 5 Jan 1993**
- ◇ **Contractors shall provide all material required for the performance of contracts**
- ◇ **Exception when it is determined by DON that to furnish such material would**
  - ◇ ***achieve significant economy***
  - ◇ ***standardization***
  - ◇ ***expedited production***
  - ◇ ***or when it is otherwise in the government's best interest***

- ◇ **Decision to provide a readily available commercial item as GFM requires**
  - ◇ ***detailed analysis***
  - ◇ ***written justification approved by the commander of the requiring activity, or a designated representative, as being in the best interest of the government***

- ◇ **All requisitions for GFM will be validated by the MCA**
- ◇ **Any requisitions not validated will not be filled**

## ◇ **Two types of GFM Requisitions**

### ◇ **GFM “Push”**

- Generated by the government
- Preferred method of providing GFM

### ◇ **GFM “Pull”**

- Generated by the contractor
- Will not be utilized unless demonstrated to be a clear advantage to the Navy



# ***Navy MCA POCs***

TYPE NAVSUP ACTIVITY NAME  
HERE

- ◇ **NAVICP serves as Navy MCA**
  - ◇ ***NAVICP-Mechanicsburg***
    - ◇ **Rory Liebrum**  
[rory.liebrum@navy.mil](mailto:rory.liebrum@navy.mil)
    - ◇ **717-605-2289, DSN 430-72289**
  - ◇ ***NAVICP-Philadelphia***
    - ◇ **Dave Roller** [david.roller@navy.mil](mailto:david.roller@navy.mil)
    - ◇ **215-697-2892, DSN 442-2892**



# NAVICP GFM Policy

TYPE NAVSUP ACTIVITY NAME  
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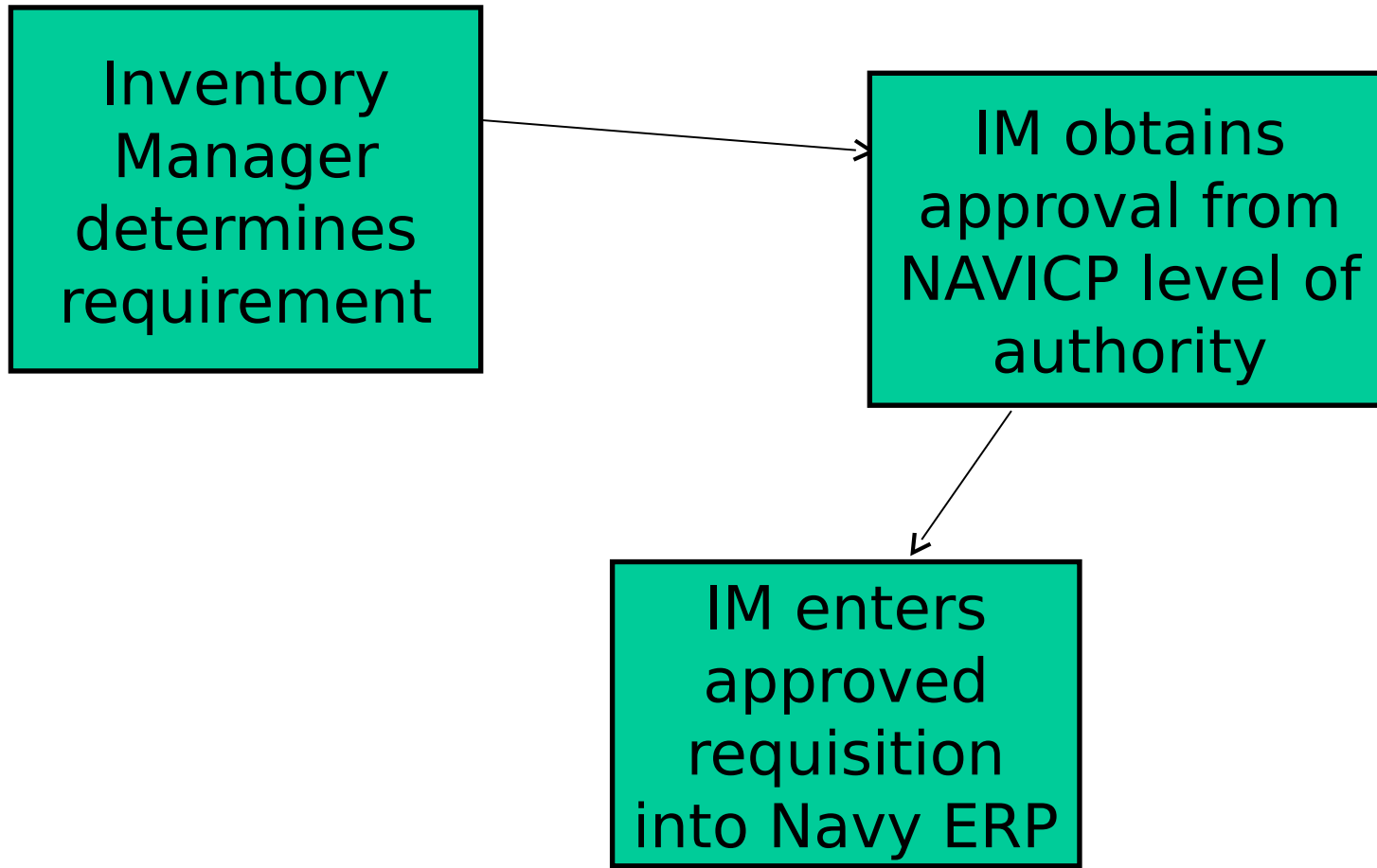
- ◇ **Minimize use of GFM in NAVICP**
- ◇ **RADM Harnitchek Standing Order #7, 2004**
  - ◇ ***“We will demand contractor commitment and investment in all acquisitions. We will never provide Government Furnished Material (GFM) that may relieve suppliers of their contractual performance and accountability. We will never provide GFM to suppliers to mitigate their risk”.***
- ◇ **Few “pull” requisitions from vendors for aviation; none in several years for maritime**
- ◇ **Minimal “push” requisitions done by NAVICP Inventory Managers**
  - ◇ **NAVICPINST 4340.2C, 20 Nov 2001 provides detailed procedures**





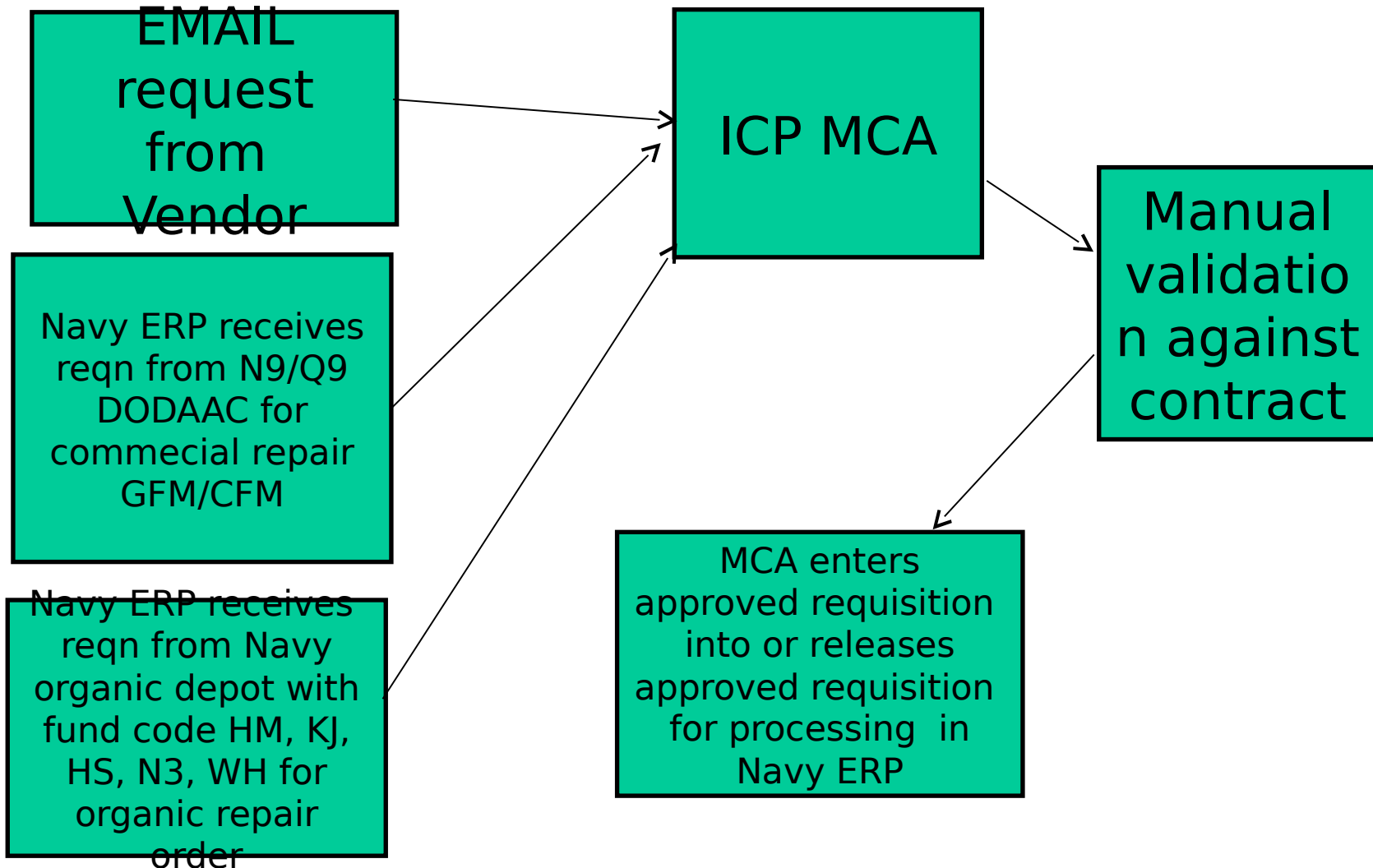
# Push GFM Requisition Process

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# Pull GFM Requisition Process

TYPE NAVSUP ACTIVITY NAME  
HERE



◇ **NAVICP has not produced any  
MCA reports since 2004**



# ***Fraud, Waste, and Abuse***

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- ◇ **NAVICP prepared to investigate suspicious GFM requisitions for possible fraud, waste and abuse and take appropriate action**



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# BACKUP SLIDES



# ***Directives***

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- ◇ **DOD 4140.1-R**
- ◇ **DOD 4000.25-1-M**
- ◇ **OPNAVINST 4440.26**
- ◇ **NAVICPINST 4340.2C**